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## SUPREME COURT AFFIRMS SECOND CIRCUIT ON COVENANT NOT TO SUE

In a unanimous decision, the Supreme Court ruled in *Already, LLC dba YUMS v. Nike, Inc.*, No. 11-982 that due to Nike giving Already an unconditional covenant not to sue, Already could not challenge the validity of Nike's trademark registration in federal court. The question presented was "whether a covenant not to enforce a trademark against a competitor's existing products and any future 'colorable imitations' moots the competitor's action to have the trademark declared invalid." *Slip Op.* at 1. The case arose when Nike filed a trademark infringement action, alleging that Already infringed and diluted its Air Force 1 trademark. *Id.* Already filed a counterclaim alleging that the trademark was invalid. *Id.* Eight months later, Nike issued a covenant not to sue, promising that Nike would not raise any trademark or unfair competition claim based on any of Already's existing footwear designs. *Id.* at 2. Due to this covenant, and over Already's objection, the district court dismissed its counterclaim. *Id.* The lower court held that because Already had not presented any evidence that it was developing shoes not covered by the covenant, there was no longer a substantial controversy to warrant the issuance of a declaratory judgment. *Id.* at 2-3. The Second Circuit affirmed.

The Supreme Court affirmed, noting that "it is hard to imagine a scenario that would potentially infringe [Nike's trademark] and yet not fall under the Covenant." *Slip Op.* at 7 (internal quotation omitted). Justice John G. Roberts, Jr. went on to

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state, "The case is moot if the court, considering the covenant's language and the plaintiff's anticipated future activities, is satisfied that it is 'absolutely clear' that the allegedly unlawful activity cannot reasonably be expected to recur." *Id.* at 8. Already argued that because Nike remained free to assert its trademark, investors would be "apprehensive about investing in Already." *Id.* at 9. However, the Court held that "the fact that some individuals may base decisions on 'conjectural or hypothetical' speculation does not give rise to the sort of 'concrete' and 'actual' injury necessary to establish Article III standing." *Id.* at 10 (internal quotations omitted).

Justices Anthony Kennedy, Clarence Thomas, Samuel Alito and Sonia Sotomayor filed a concurring opinion, writing that the majority improperly shifted the burden in showing the existence of a controversy from Nike to Already. *Slip Op.* at 1 (Kennedy, J., concurring). The concurrence was written:

to underscore that covenants like the one Nike filed here ought not to be taken as an automatic means for the party who first charged a competitor with trademark infringement suddenly to abandon the suit without incurring the risk of an ensuing adverse adjudication. *Id.* at 2.

## FEDERAL CIRCUIT CLARIFIES DOCTRINE OF EQUIVALENTS

On Dec. 4, 2012, the Federal Circuit panel of Judges Randall R. Rader, Pauline Newman and S. Jay Plager issued its opinion in *Deere & Company v. Bush Hog, LLC*, No. 2011-1629. The trial court held on summary judgment that the plaintiff could not assert infringement under the doctrine of equivalents because it had construed a claim limitation as binary in nature: The term "into engagement with" meant that two portions of the claimed invention were either in contact or not. *Slip Op.* at 9. The

lower court relied on the concept of "vitiation" to hold that the doctrine of equivalents cannot apply when an element is required to be either present or not present. The Federal Circuit held that this was error, noting that "[o]f course, in every case applying the doctrine of equivalents, at least one claimed element is not literally present in the accused product." *Id.* at 9-10. "The proper inquiry for the court is to apply the doctrine of equivalents, asking whether an asserted equivalent represents an 'insubstantial difference' from the claimed element, or 'whether the substitute element matches the function, way, and result of the claimed element.'" *Id.* at 10 (citing *Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17, 39 n. 8 (1997)). The panel noted that "a reasonable jury could find that a small spacer connecting the upper and lower deck walls represents an *insubstantial difference* from direct contact." *Id.* at 11 (emphasis in original).

## CAR INTAKE PATENT CASE YIELDS \$5M VERDICT

A California federal jury found a patent covering technology for cleaning automotive intake systems valid and infringed, awarding \$4.45 million for lost profits and \$1.1 million in royalties to the patent holder, Illinois Tool Works, Inc. The case, *Illinois Tool Works, Inc. v. MOC Products Company, Inc.*, No. 09-1887 (S.D. Cal.), involved the infringement of U.S. Patent No. 6,073,638 titled "Method and Apparatus for Cleaning an Automotive Engine." The jury held defendant liable for direct, inducing and contributory infringement, and that the infringement was willful. Though the jury found that there was no invalidity for anticipation and made several factual findings that the patent was not obvious, the ultimate question of obviousness will be presented to the judge, who will also have the option of trebling the damages award due to the willfulness finding.

*continued on page 8*

## IP News

continued from page 7

### WASHING MACHINE CASE ENDS WITH INFRINGEMENT

*LG Electronics, Inc. v. ASKO Appliances, Inc.*, No. 08-828 (D. Del.) ended after a four-day trial before Judge Richard G. Andrews in Wilmington, DE, with a finding that three of the four patents asserted by LG against Daewoo Electronics Corp. were valid and infringed, while a fourth patent was obvious. In addition to direct infringement, the jury also found that two claims of one of LG's patents were infringed under the Doctrine of Equivalents.

### ROCK CRUSHING CLAIMS FOUND INVALID

U.S. District Judge Lynn Adelman of the Eastern District of Wisconsin issued her Opinion in *Metso Minerals Industries, Inc. v. Johnson Crushers Int'l, Inc.*, No. 10-0951, holding that three claims from Johnson Control International's ("JCI") U.S. Patent No. 6,032,886 are invalid for obviousness. The patent claims improvements to "cone-type" rock crushers which contain a "gyrating cone and an inverted cone-shaped bowl." *Slip Op.* at 1. The spacing between the bowl and the cone is important for adjusting the size of the rocks that are emitted from the crusher, and the asserted claims of the '886 patent cover a mechanism that performs a "locking" function to ensure that the spacing between the bowl and the cone does not change while the machine is in operation. *Id.* at 2-3. This locking function is performed by a circular "lock ring" that has a groove at its bottom portion. *Id.* at 3-4. This groove is filled with hydraulic fluid to drive the lock ring upward and lock the bowl in place. *Id.* at 5.

Declaratory Judgment plaintiff Metso argued that an earlier product manufactured by JCI contained similar functionality and that the earlier product anticipated the claims. JCI argued that the earlier product

pumped hydraulic fluid into a bladder located in the groove, rather than directly into said groove, and also that it does not have the "piston" required by the asserted claims because the bladder itself has a flat bottom that pushes against the bowl support when the bladder is filled with fluid. *Id.* at 10-11. Judge Adelman held that claim 8 was anticipated by the prior product, as "claim 8 requires a ring-shaped component that fits snugly into the chamber and that moves relative to the chamber in response to fluid pressure on one side, and that the ring-shaped component provide the abutment surface for either the lock ring or the bowl support." *Id.* at 12.

Claims 9 and 10 add requirements, however, and were not anticipated by the prior product according to Judge Adelman. She found that these claims were obvious in light of a multitude of patents and publications that disclosed the use of a hydraulic cylinder to lock the bowl of a cone crusher in place during operation:

Thus, at the time JCI designed its prototype, a person having ordinary skill in the art would have known that one could use an annular hydraulic cylinder to lock the bowl of a cone crusher in place during operation. Such a person also would have known that one could construct an annular hydraulic cylinder in at least two different ways with a bladder or without a bladder. Finally, such a person would have known that if one used elastomeric material in a hydraulic cylinder, one needed to employ a means for preventing extrusion. In light of this common knowledge in the art, it is hard to see anything in JCI's invention that would not have been obvious to a person having ordinary skill in the art at the time. Perhaps the use of a *bladder-less*, annular hydraulic cylinder to lock the bowl in place during operation of the crusher would not have been obvious, but claims 9 and 10 of the '886 patent are not

limited to rock crushers without bladders. *Slip Op.* at 21 (emphasis in original).

### DE JUDGE UPHOLDS UNENFORCEABILITY RULING FOR DESTRUCTION OF EVIDENCE

In *Micron Technology v. Rambus, Inc.*, No. 00-792, Judge Sue L. Robinson issued an Opinion (D.I. 1151) in which she affirmed an earlier sanction against Rambus for destruction of evidence. The case was being heard on remand from the Federal Circuit, so that the lower court could reconsider the bad faith and prejudice determinations. The Federal Circuit instructed the lower court to more "fully explain" its reasoning. In this Opinion, Judge Robinson meticulously recounted the facts related to Rambus' destruction of evidence, including degaussing of magnetic tapes and the imposition of document "shred days" by a company-wide document destruction policy. Judge Robinson noted that Rambus' document destruction policy was administered and executed selectively (*Slip Op.* at 24), and further noted that Rambus acknowledged the policy was implemented for an improper purpose. *Id.* at 25-26. Judge Robinson's bad faith determination was also bolstered by litigation misconduct such as 30(b)(6) witnesses giving false testimony regarding the scope of the document destruction policy. In light of these facts, the court found all of the patents-in-suit unenforceable against Micron. *Id.* at 44. In her holding, she stated that "Rambus' destruction of evidence was of the worst type: intentional, widespread, advantage-seeking, and concealed." *Id.*

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will appear that other and differing apparatus may be used to disperse, fog, or atomize the liquid cleaner 34 so as to provide for its introduction into the intake system of an automotive engine using ambient air and engine vacuum to achieve this result. A small carburetor apparatus which is temporarily communicated with the intake manifold of the vehicle being serviced might suffice for this purpose.

What is claimed is:

1. A service method for cleaning the intake system of an automotive internal combustion engine temporarily utilizing ambient air bleed and intake manifold vacuum of the operating engine to temporarily ingest a liquid cleaner in atomized form during said service, said method comprising steps of:

providing a source of liquid cleaner to be introduced into the intake system of the engine temporarily during said service;

temporarily utilizing an aspirator communicating said liquid cleaner into said intake system to atomize said liquid cleaner while introducing said liquid cleaner into said intake system during said service; and

completing said service by removing said source of liquid cleaner and also removing said aspirator from communication into said intake system.

2. The method of claim 1 further including the steps of providing said aspirator with a bore of determined diameter, and flowing liquid cleaner along said bore of determined diameter to said intake system while utilizing said bore of determined diameter to define a metering orifice for said liquid cleaner.

3. The method of claim 2 further including the steps of providing said aspirator with an ambient air intake bore of certain diameter, utilizing said ambient air intake bore to define an opening to ambient at which said ambient air intake port is defined, and utilizing said ambient air intake bore of certain diameter to define a metering orifice for ambient air flow into said intake system via said aspirator while said engine is in operation.

4. A service method of atomizing a liquid engine cleaner into an intake system of a running internal combustion engine which is not producing usable power but does produce an intake manifold vacuum in said intake system, said service method comprising steps of:

using said intake manifold vacuum to ingest ambient air along a first flow path into said intake system;

using said intake manifold vacuum to ingest said liquid engine cleaner along a second flow path into said intake system while said engine operates substantially at a fast-idle speed;

intersecting said first and said second flow paths to mix said ambient air and said liquid engine cleaner before introduction into said intake system;

flowing said mixed ambient air and liquid cleaner together toward said intake system; and

using the mixing of said ambient air and said liquid engine cleaner to atomize the latter into a fine, substantially

non-precipitating fog upon introduction together into said intake system; and

discontinuing ingestion of ambient air and said liquid engine cleaner before returning said internal combustion engine to power-producing use.

5. A method of substantially preventing puddling of liquid engine cleaner in the intake manifold of an internal combustion engine during a temporary service procedure to clean said intake manifold, said method comprising steps of:

providing a source of liquid engine cleaner to be introduced into the intake manifold of the engine while said engine is substantially at a fast-idle speed and is not producing usable power; and

utilizing an aspirator communicating both said liquid engine cleaner and ambient air into said intake manifold to atomize said liquid cleaner while introducing said liquid engine cleaner into said intake manifold as an atomized substantially non-precipitating mist.

6. The method of claim 5 further including the steps of forming said aspirator with a body having a through bore of determined diameter, flowing said liquid engine cleaner from said source to said intake manifold along said through bore, and utilizing said through bore of determined diameter to define a metering orifice for said liquid engine cleaner.

7. The method of claim 6 further including the steps of providing said aspirator body with an ambient air intake bore of certain diameter, utilizing said ambient air intake bore to define an opening to ambient, defining at said opening to ambient an ambient air intake port, and utilizing said ambient air intake port to define a metering orifice for ambient air flow into said intake manifold via said aspirator.

8. The method of claim 7 further including the steps of providing said aspirator body with an end portion of tapering outer diameter, and defining at said end portion of tapering outer diameter a plurality of graduated substantially cylindrical diameter sections spaced along a length of said aspirator body.

9. A service method for cleaning the intake system of an automotive internal combustion engine while the engine is operating at a fast-idle speed, is providing intake manifold vacuum, and is not producing usable power, said method comprising steps of:

providing a source of liquid cleaner to be temporarily introduced into the intake system of the engine during said service;

providing an aspirator and communicating said liquid cleaner and ambient air via this aspirator into said intake system while simultaneously atomizing said liquid cleaner into a substantially non-precipitating fog; continuing said service for the duration of time sufficient that a selected quantity of liquid cleaner is ingested by said engine, and

completing said service by removing said source of liquid cleaner and also removing said aspirator from communication into said intake system.

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